$$(\text{horizontal width} \times \text{vertical projection area}) = (\text{true width} \times \text{true dip area})$$

Horizontal widths were estimated by both measurement on section and application of the formula:

$$\text{horizontal width} = \text{drill hole thickness} \times [180° - (\text{dip of resource} + \text{dip of drill hole})] \div (\sin \text{dip of resource})$$

This construction assumes that drill holes are perpendicular to strike of the resource and the longitudinal projection plane is parallel to the strike of the resource. Of course, these two requirements are not always met, but they balance each other out in the resource estimation.

6.6   Estimation Methodology:

The estimation methodology employed was a conventional one.

> **It is strongly recommended that a second estimate using a geostatistical approach should be undertaken - this is always good practice with resource estimates.**

On the longitudinal projection of each resource lens, the drill hole intersection horizontal widths were contoured in a manner which is considered to reflect the underlying geological controls on each block.

A resource outline was then drawn to encompass all intersections which met the resource parameters. In no instance was this outline taken further than 50-60 m from a drill intersection. Adjacent drill holes which lay outside the resource boundaries were also used to influence the positioning of these boundaries.

Areas within the resource boundaries bounded by the various thickness contours were then calculated by planimeter and converted to tonnages.

The average grade of each resource lens was estimated by obtaining a simple weighted mean of all drill holes in the resource block. This was considered adequate because of the extremely tight grade range for all intersections; eg, in D-Lens all drill holes lie within the range 44.12% $\pm$ 0.7%. An inventory of all drill hole intersections used in each resource lens is tabulated in Appendix 4.